

1                                    AMENDMENT TO HOUSE BILL 1648

2            AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1648 by replacing  
3 everything after the enacting clause with the following:

4            "Section 5. The Comprehensive Health Insurance Plan Act  
5 is amended by changing Section 4 as follows:

6            (215 ILCS 105/4) (from Ch. 73, par. 1304)

7            Sec. 4. Powers and authority of the board. The board  
8 shall have the general powers and authority granted under the  
9 laws of this State to insurance companies licensed to  
10 transact health and accident insurance and in addition  
11 thereto, the specific authority to:

12            a. Enter into contracts as are necessary or proper to  
13 carry out the provisions and purposes of this Act, including  
14 the authority, with the approval of the Director, to enter  
15 into contracts with similar plans of other states for the  
16 joint performance of common administrative functions, or with  
17 persons or other organizations for the performance of  
18 administrative functions including, without limitation,  
19 utilization review and quality assurance programs, or with  
20 health maintenance organizations or preferred provider  
21 organizations for the provision of health care services.

22            b. Sue or be sued, including taking any legal actions

1 necessary or proper.

2 c. Take such legal action as necessary to:

3 (1) avoid the payment of improper claims against  
4 the plan or the coverage provided by or through the plan;

5 (2) to recover any amounts erroneously or  
6 improperly paid by the plan;

7 (3) to recover any amounts paid by the plan as a  
8 result of a mistake of fact or law; or

9 (4) to recover or collect any other amounts,  
10 including assessments, that are due or owed the Plan or  
11 have been billed on its or the Plan's behalf.

12 d. Establish appropriate rates, rate schedules, rate  
13 adjustments, expense allowances, agents' referral fees, claim  
14 reserves, and formulas and any other actuarial function  
15 appropriate to the operation of the plan. Rates and rate  
16 schedules may be adjusted for appropriate risk factors such  
17 as age and area variation in claim costs and shall take into  
18 consideration appropriate risk factors in accordance with  
19 established actuarial and underwriting practices.

20 e. Issue policies of insurance in accordance with the  
21 requirements of this Act.

22 f. Appoint appropriate legal, actuarial and other  
23 committees as necessary to provide technical assistance in  
24 the operation of the plan, policy and other contract design,  
25 and any other function within the authority of the plan.

26 g. Borrow money to effect the purposes of the Illinois  
27 Comprehensive Health Insurance Plan. Any notes or other  
28 evidence of indebtedness of the plan not in default shall be  
29 legal investments for insurers and may be carried as admitted  
30 assets.

31 h. Establish rules, conditions and procedures for  
32 reinsuring risks under this Act.

33 i. Employ and fix the compensation of employees. Such  
34 employees may be paid on a warrant issued by the State

1 Treasurer pursuant to a payroll voucher certified by the  
2 Board and drawn by the Comptroller against appropriations or  
3 trust funds held by the State Treasurer.

4 j. Enter into intergovernmental cooperation agreements  
5 with other agencies or entities of State government for the  
6 purpose of sharing the cost of providing health care services  
7 that are otherwise authorized by this Act for children who  
8 are both plan participants and eligible for financial  
9 assistance from the Division of Specialized Care for Children  
10 of the University of Illinois.

11 k. Establish conditions and procedures under which the  
12 plan may, if funds permit, discount or subsidize premium  
13 rates that are paid directly by senior citizens, as defined  
14 by the Board, and other plan participants, who are retired or  
15 unemployed and meet other qualifications.

16 l. Establish and maintain the Plan Fund authorized in  
17 Section 3 of this Act, which shall be divided into separate  
18 accounts, as follows:

19 (1) accounts to fund the administrative, claim, and  
20 other expenses of the Plan associated with eligible  
21 persons who qualify for Plan coverage under Section 7 of  
22 this Act, which shall consist of:

23 (A) premiums paid on behalf of covered  
24 persons;

25 (B) appropriated funds and other revenues  
26 collected or received by the Board;

27 (C) reserves for future losses maintained by  
28 the Board; and

29 (D) interest earnings from investment of the  
30 funds in the Plan Fund or any of its accounts other  
31 than the funds in the account established under item  
32 2 of this subsection;

33 (2) an account, to be denominated the federally  
34 eligible individuals account, to fund the administrative,

1 claim, and other expenses of the Plan associated with  
2 federally eligible individuals who qualify for Plan  
3 coverage under Section 15 of this Act, which shall  
4 consist of:

5 (A) premiums paid on behalf of covered  
6 persons;

7 (B) assessments and other revenues collected  
8 or received by the Board;

9 (C) reserves for future losses maintained by  
10 the Board; and

11 (D) interest earnings from investment of the  
12 federally eligible individuals account funds; and

13 (3) such other accounts as may be appropriate.

14 m. Charge and collect assessments paid by insurers  
15 pursuant to Section 12 of this Act and recover any  
16 assessments for, on behalf of, or against those insurers.

17 n. Establish conditions and procedures under which the  
18 Plan may, if funds permit, provide catastrophic prescription  
19 drug insurance, as defined by the Board.

20 (Source: P.A. 90-30, eff. 7-1-97; 91-357, eff. 7-29-99.)

21 Section 99. Effective date. This Act takes effect upon  
22 becoming law."